

CONFIDENTIAL

ED/S 59-4752

23 November 1959

MEMORANDUM FOR: Mr. Dulles

Bob Macy has relayed to me on a personal and unofficial basis information which he received from Bill Schaub concerning a conversation which took place at Augusta this past week in connection with our Budget. During the course of a conversation at which the President, Secretary McElroy, Gordon Gray, Messrs. Stans and Schaub were present, the President raised the question as to who checks on the CIA. It was explained to the President that the Bureau of the Budget checked us and that, in addition to the Appropriations Committees, the Kilday Committee monitored our activities. Gordon Gray commented to the effect that any check by the Kilday Committee was after the fact and, of course, after funds had already been appropriated. The President then said to Secretary McElroy that he thought that since most of our expenditures were for defense purposes, the Secretary of Defense should look at our Budget and make sure that he was satisfied with the total amount.

Bob Macy speculated that we might never hear of this again but wanted us not to be taken by surprise if it should be raised either by Secretary McElroy or others. I don't think that we can take any action at this point without violating Bob Macy's confidence which, of course, we would not want to do.

/s/ LKW

L. K. White

cc: ✓ Comptroller

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